

HOUSE BILL 2260  
By DeBerry L

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 37; Title 56; Title 67 and Title 71, relative to  
insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-32-203, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c)

(1) An applicant or a health maintenance organization holding a certificate of authority granted hereunder shall, unless otherwise provided for in this part, file a notice describing any material modification of the operation set out in the information required by subsection (b). Such notice shall be filed with the commissioner prior to the modification. If the commissioner does not disapprove of the modification within forty-five (45) days of filing, modification shall be deemed approved.

(2) Significant expansions of a health maintenance organization's enrollee population shall be considered a material modification under subdivision (1), necessitating the filing of:

(A) Current financial statements showing the health maintenance organization's assets, liabilities, and sources of financial support using the official blank form for health maintenance organizations prescribed by the National Association of Insurance Commissioners, as required by § 56-32-203(b)(7);

(B) A description of the proposed plan of marketing, a financial plan which includes a projection of operating results anticipated for the two (2) years following the addition of the new enrollees, and a statement as to the sources of working capital as well as any other sources of funding, all as required by § 56-32-203(b)(8); and

(C) Any other information required to be filed by § 56-32-203(b) which, as a result of the expansion of such health maintenance organization's enrollee population, has been materially modified.

This information shall be filed with, and reviewed by, the commissioner as delineated in § 56-32-203(c)(1). For purposes of this subsection, expansions of a health maintenance organization's enrollee population which do not exceed ten percent (10%) of such health maintenance organization's existing enrollee population in any six-month period shall not be considered a significant expansion of such health maintenance organization's enrollee population.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.